



U.S. Small Business Administration  
Application for Small Business Loan  
(Short Form)

(May be used for Participation Loans of \$50,000 and under)

OMB Approval No: 3245-0016

Expiration Date: 6/30/99

Applicant		Address	
Name of Business		Tax I.D. No.	
Street Address		Tel. No. (Include A/C)	
City	County	State	Zip
Type of Business		Date Business Established	
Bank of Business Account and Address		No. of Employees (including subsidiaries and affiliates)	
		At Time of Application _____	
		If Loan is Approved _____	
		Subsidiaries or Affiliates _____	
		(Separate from Above)	
Amount Requested	Show how the proceeds are to be used (round to the nearest hundreds)		
Term Requested _____ yrs.			

The following schedules must be completed and submitted as a part of the loan application. (Applicant's name and address need only be provided once.) **ALL SCHEDULES MUST BE SIGNED AND DATED BY THE PERSON SIGNING THIS FORM:**

1. Include financial statements of the applicant as listed below: **ALL FINANCIAL STATEMENTS MUST BE SIGNED AND DATED.**
  - a. For an existing business, include yearend financial statements composed of a balance sheet, income statement and reconciliation of net worth for each year in business up to three years. (Federal tax returns may be substituted for income statements.) In addition, submit a balance sheet and income statement for the current period (within 90 days of filing of the application) together with an aging of accounts receivable and payable. A projection of income and expenses for one year after the proposed loan is most helpful and may be requested by SBA.
  - b. For a new business, prepare a balance sheet reflecting the assets, liabilities and net worth of the business assuming the loan is approved and disbursed. In addition, provide a projection of income and expenses for one year after the loan is disbursed.
2. List all assets to be pledged as collateral.
  - a. For machinery and/or equipment, provide an itemized list that contains identification numbers for all items with an original value greater than \$500.

Collateral lists additionally should contain the year acquired, original cost, present market value, current balance owed, and name of lienholders. Mark this Schedule A. (SBA Form 4, Schedule A, or a computer-generated facsimile, may be used for this purpose.)

3. The following SBA forms must be submitted by each owner (20% or more ownership), partner, or officer:
  - a. A current personal financial statement (SBA Form 413 may be used for this purpose),
  - b. SBA Form 912, Personal History Statement. (This also may be required of hired managers with authority to commit the applicant.)
4. Please provide the following information (in the order shown below) for all members of management including owners, partners, officers and directors:  
Name, Social Security Number, Position held, Home Address, Percentage Ownership (Total 100%), \* Date of Entry/Discharge from Military Service, \* Race, \* Sex (\*This data is collected for statistical purposes and has no bearing on the credit decision.)  
In addition, provide a brief description of the educational, technical and business background for all people listed under management. Mark this Schedule B.
5. Please supply the following information (in the order shown below) on all the applicant's short-term and long-term debt. Indicate by an asterisk (\*) items to be paid by loan proceeds and give reasons for payments.  
Orig. Date, Orig. Amt (\$), Lender, Present Bal (\$), Rate of Int., Maturity Date, Monthly Pmt (\$), Collateral, Current or Past Due (Principal balance shown should agree with the amounts on the latest balance sheet submitted.) Mark this Schedule C.
6. Please sign and date SBA Form 1624 regarding certification of debarment and suspension.

PLEASE NOTE: The estimated burden for completing this form is 19.5 hours per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-0016).

**COMPLETE THE FOLLOWING INFORMATION ONLY IF IT APPLIES TO YOUR APPLICATION**

7. If you have any co-signers and/or guarantors for this loan, please submit their names, tax identification number, addresses and personal financial statements. Mark this Schedule E.
8. If you are buying machinery and/or equipment with the loan, you must include a list of the equipment and cost (as quoted by the supplier) and the supplier's name, address and telephone number. Mark this Schedule F.
9. If you, your business, or any of the officers of your business are, or have been, involved in pending lawsuits, bankruptcy or insolvency proceedings, please provide the details. Mark this Schedule G.
10. If you or your spouse or any member of your household, or anyone who owns, manages or directs your business or their spouses or members of their households, work for the Small Business Administration, Small Business Advisory Council, SCORE, ACE, any Federal agency, or the participating lender, please provide the name and address of the person and the office where employed. Mark this Schedule H.
11. If the applicant, its owners or majority stockholders own or have a controlling interest in other businesses, please provide their names and the relationship with your company along with the most recent year-end financial statements for each affiliate. Mark this Schedule I.
12. If the applicant buys from, sells to, or uses the services of any concern in which someone in your company has a significant financial interest, please provide details. Mark this Schedule J.
13. If the applicant or any principals or affiliates have ever requested previous SBA or other Government financing, or are delinquent on the repayment of any Federal debt, supply the following information: Identify the applicant, name the Government agency, date of request, whether approved or declined, original amount of the loan, present balance, monthly payments, whether current or past due, and purpose of the loan. Mark this Schedule K.
14. If anyone assisted in the preparation of this application other than the applicant, please list the name(s), occupation(s), their address(es), total fees paid and fees due. Mark this Schedule L.

**FRANCHISE LOANS ONLY**

15. If the applicant is a franchise, include a copy of the Franchise Agreement and a copy of the Federal Trade Commission disclosure statement available from the Franchisor (by law). Mark this Schedule M.

**FOR CONSTRUCTION AND/OR RENOVATIONS OVER \$10,000**

16. Include as a separate schedule (schedule N) the estimated cost of the project as well as a statement of the source of any additional funds beyond the loan requested. Mark this Schedule N.
17. Provide copies of preliminary construction plans and specifications. Include them as Schedule O. Final plans will be required prior to disbursement.

**EXPORT LOANS ONLY**

18. If loan proceeds will be used for exporting, check here \_\_\_\_\_

**TO BE COMPLETED BY ALL APPLICANTS  
AGREEMENTS AND CERTIFICATIONS**

Agreements of Nonemployment of SBA Personnel: I agree that if SBA approves this loan application, I will not, for at least two years, hire as an employee or consultant anyone that was employed by SBA during the one year period prior to the disbursement of the loan.

Certification: I certify:

- (a) I have not paid anyone connected with the Federal government for help in getting this loan. I also agree to report to the SBA Office of Inspector General, Washington, D.C. 20416, any Federal government employee who offers, in return for any type of compensation, to help get this loan approved.
- (b) All information in this application and the schedules is true and complete to the best of my knowledge and is submitted to SBA so that SBA can decide whether to grant a loan or to participate with a lending institution in a loan to me. I agree to pay for or reimburse SBA for the cost of any surveys, title or mortgage examinations, appraisals, credit reports etc., performed by non-SBA personnel provided I have given my consent.
- (c) I understand that I need not pay anybody to deal with SBA. I have read and understand Form 159 which explains SBA policy on representatives and their fees.
- (d) If I make a statement that I know to be false or if I overvalue a security in order to help obtain a loan under the provisions of the Small Business Act, I can be fined up to \$5,000 or be put in jail for up to two years or both.
- (e) As consideration for any management, technical, and Business Development Assistance that may be provided, I waive all claims against SBA and its consultants.
- (f) I have read and received a copy of the "STATEMENTS REQUIRED BY LAWS AND EXECUTIVE ORDER" which was attached to this application.

If Applicant is a proprietor or general partner, sign below:

By: \_\_\_\_\_ Dated: \_\_\_\_\_

If Applicant is a corporation, sign below:

\_\_\_\_\_  
Dated: \_\_\_\_\_

Corporate Name and Seal

By: \_\_\_\_\_  
Signature of President

Attested by: \_\_\_\_\_  
Signature of Corporate Official

The Proprietor, each General Partner (or Limited Partner owning 20% or more), each Guarantor, each Corporate officer, each Director, each Stockholder owning 20% or more, and, where appropriate, the spouses of each of these must sign. The person signing on behalf of the business must also sign individually.

\_\_\_\_\_  
Date: \_\_\_\_\_

Signature

\_\_\_\_\_  
Date: \_\_\_\_\_

Signature

# PLEASE READ DETACH AND RETAIN FOR YOUR RECORDS

## STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDER

Federal executive agencies, including the Small Business Administration (SBA), are required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to applicants or borrowers and to require special reports and data from borrowers in order to comply with legislation passed by the Congress and Executive Orders issued by the President and by the provisions of various inter-agency agreements. SBA has issued regulations and procedures that implement these laws and executive orders, and they are contained in Parts 112, 113, 116, and 117, Title 13, Code of Federal Regulations Chapter 1, or Standard Operating Procedures.

### **Freedom of Information Act (5 U.S.C. 552)**

This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

### **Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)**

This is notice to you as required by the Right of Financial Privacy Act of 1978, of SBA's access rights to financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guarantee. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government loan or loan guaranty agreement. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that SBA's access rights continue for the term of any approved loan or loan guaranty agreement. No further notice to you of SBA's access rights is required during the term of any such agreement.

The law also authorizes SBA to transfer to another Government authority any financial records included in an application for a loan, or concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan or loan guarantee or to collect on a defaulted loan or loan guarantee. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

### **Flood Disaster Protection Act (42 U.S.C. 4011)**

Regulations have been issued by the Federal Insurance Administration (FIA) and by SBA implementing this Act and its amendments. These regulations prohibit SBA from making certain loans in an FIA designated floodplain unless Federal flood insurance is purchased as a condition of the loan. Failure to maintain the required level of flood insurance makes the applicant ineligible for any future financial assistance from SBA under any program, including disaster assistance.

### **Executive Orders -- Floodplain Management and Wetland Protection (42 F.R. 26951 and 42 F.R. 26961)**

The SBA discourages any settlement in or development of a floodplain or a wetland. This statement is to notify all SBA loan applicants that such actions are hazardous to both life and property and should be avoided. The additional cost of flood preventive construction must be considered in addition to the possible loss of all assets and investments in future floods.

### **Occupational Safety and Health Act (15 U.S.C. 651 et seq.)**

This legislation authorizes the Occupational Safety and Health Administration in the Department of Labor to require businesses to modify facilities and procedures to protect employees or pay penalty fees. In some instances the business can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, in some instances SBA may require additional information from an applicant to determine whether the business will be in compliance with OSHA regulations and allowed to operate its facility after the loan is approved and disbursed. Signing this form as borrower is a certification that the OSA requirements that apply to the borrower's business have been determined and the borrower to the best of its knowledge is in compliance.

### **Civil Rights Legislation**

All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public, on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. This includes making their goods and services available to handicapped clients or customers. All business borrowers will be required to display the "Equal Employment Opportunity Poster" prescribed by SBA.

**Equal Credit Opportunity Act (15 U.S.C. 1691)**

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

**Executive Order 11738 -- Environmental Protection (38 C.F.R. 25161)**

The Executive Order charges SBA with administering its loan programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environmental protection legislation. SBA must, therefore, impose conditions on some loans. By acknowledging receipt of this form and presenting the application, the principals of all small businesses borrowing \$100,000 or more in direct funds stipulate to the following:

1. That any facility used, or to be used, by the subject firm is not cited on the EPA list of Violating Facilities.
2. That subject firm will comply with all the requirements of Section 114 of the Clean Air Act (42 U.S.C. 7414) and Section 308 of the Water Act (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in Section 114 and Section 308 of the respective Acts, and all regulations and guidelines issued thereunder.
3. That subject firm will notify SBA of the receipt of any communication from the Director of the Environmental Protection Agency indicating that a facility utilized, or to be utilized, by subject firm is under consideration to be listed on the EPA List of Violating Facilities.

**Debt Collection Act of 1982 Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles)**

These laws require SBA to aggressively collect any loan payments which become delinquent. SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may take one or more of the following actions:

- Report the status of your loan(s) to credit bureaus
- Hire a collection agency to collect your loan
- Offset your income tax refund or other amounts due to you from the Federal Government
- Suspend or debar you or your company from doing business with the Federal Government
- Refer your loan to the Department of Justice or other attorneys for litigation
- Foreclose on collateral or take other action permitted in the loan instruments.

**Immigration Reform and Control Act of 1986 (Pub. L. 99-603)**

If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986 (Pub. L. 99-603). For five years from the date you are granted such status, you are not eligible for financial assistance from the SBA in the form of a loan or guaranty under section 7(a) of the Small Business Act unless you are disabled or a Cuban or Haitian entrant. When you sign this document, you are making the certification that the Immigration Reform and Control Act of 1986 does not apply to you, or if it does apply, more than five years have elapsed since you have been granted lawful temporary resident status pursuant to such 1986 legislation.

**Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.)**

Borrowers using SBA funds for the construction or rehabilitation of a residential structure are prohibited from using lead-based paint (as defined in SBA regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows and doors, which are readily accessible to children under 7 years of age. A "residential structure" is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, day care center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.